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March 25, 2004

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TWB-204
Washington, DC 20554

Re: Federal-State Joint Board on Universal Service, WC Docket No. 96-45;
1998 Biennial Regulatory Review – Streamlined Contributor Reporting
Requirements Associated with Administration of Telecommunications Relay Service,
North American Numbering Plan, Local Number Portability, and Universal Service
Support Mechanisms, WC Docket No. 98-171;
Telecommunications Services for Individuals with Hearing and Speech Disabilities,
and the Americans with Disabilities Act of 1990, WC Docket No. 90-571;
Administration of the North American Numbering Plan and North American
Numbering Plan Cost Recovery Contribution Factor and Fund Size, WC Docket No.
92-237, NSD FileNo. L-00-72;
Number Resource Optimization, WC Docket No. 99-200;
Telephone Number Portability, WC Docket No. 95-116;
Truth-in-Billing and Billing Format, WC Docket No. 98-170

Dear Ms. Dortch:

On Wednesday, March 24, 2004, Judy Sello, Mark Lemler and I, all of AT&T, met with Diane Law-Hsu and Jim Lande of the Wireline Competition Bureau's Telecommunications Access Policy Division. The purpose of this meeting was to discuss AT&T's January 27, 2004 Petition for Waiver from those provisions of the Commission's Universal Service Fund ("USF") rules that require adjustments to its first quarter 2003 revenue projections to be submitted not later than March 20, 2003, so as to eliminate the effect of first quarter 2003 projections errors in the annual true-up process. We explained that absent a waiver, AT&T will be forced to pay more than its fair share based on its *actual* 2003 second through fourth quarter revenues because of a forecasting error for the first quarter 2003. This error had no impact whatsoever on setting of the first quarter USF 2003 contribution factor, nor on AT&T's USF contributions for that period, which were based on historical revenues through that quarter. We also reiterated that a waiver is necessary

to ameliorate the unanticipated effect of the rule which would unfairly penalize carriers such as AT&T that realized greater revenues in the first quarter 2003 than they had projected.

One electronic copy of this Notice is being submitted to the Secretary of the FCC in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

A handwritten signature in black ink, appearing to read "Amy L. Alvarez". The signature is fluid and cursive, with a large, stylized "A" and "L".

cc: Diane Law-Hsu
Jim Lande